

IRS TAX TIP 2004-31

ALIMONY PAYMENTS HAVE TAX IMPLICATIONS

When the end of matrimony leads to the start of alimony, how does it affect your taxes? Alimony payments you receive are taxable to you in the year received, according to the IRS.

The amount is reported on line 11 of Form 1040. You cannot use Form 1040A or Form 1040EZ. The person making the payment may claim a deduction on Form 1040 in the year paid. You must give the person who paid the alimony your Social Security number or you may have to pay a \$50 penalty.

If your decree or agreement calls for both alimony and child support and specifies amounts for each, only the alimony is taxable. Because no taxes are withheld from alimony payments, you may need to make estimated tax payments or increase the amount withheld from your paycheck.

Alimony payments you make may be deductible, if certain requirements are met. Child support payments, however, are never deductible.

For more information on how to treat alimony payments received or made, see Publication 504, "Divorced or Separated Individuals," and Tax Topics 402, "Alimony Received," and 452, "Alimony Paid." Publications and forms may be downloaded from the IRS Web site at www.irs.gov or ordered by calling toll free 1-800-TAX-FORM (1-800-829-3676).

#

EDITOR'S NOTE: Members of the news media can subscribe to IRS Tax Tips through the e-News Subscriptions link on the Newsroom page of the IRS Web site, www.irs.gov. Back issues of Tax Tips also can be accessed at IRS.gov. If you need additional information, contact your local IRS Media Relations office or call 202-622-4000.